

105TH CONGRESS
1ST SESSION

H. R. 96

To provide regulatory assistance for small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. SOLOMON (for himself, Mr. CONDIT, Mr. HEFLEY, and Mr. FLAKE) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide regulatory assistance for small business concerns,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Regu-
5 latory Assistance Act of 1997”.

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to establish a system of
3 confidential voluntary compliance with Federal regulations
4 that will—

5 (1) provide a low-cost process to significantly
6 improve voluntary compliance by small business con-
7 cerns with Federal regulations;

8 (2) improve the level of outreach to the small
9 business community and reduce duplication of effort
10 among Federal agencies;

11 (3) be funded without additional appropriations;

12 (4) provide a mechanism for unbiased feedback
13 to Federal agencies on the small business regulatory
14 environment; and

15 (5) partner nonpunitive compliance assistance
16 programs with the small business development cen-
17 ter service delivery network in order to improve ac-
18 cess to and utilization of these programs by the
19 small business community.

20 **SEC. 3. ESTABLISHMENT OF PROGRAM.**

21 The Small Business Act (15 U.S.C. 637 et seq.) is
22 amended—

23 (1) by redesignating section 31 as section 32;
24 and

25 (2) by inserting after section 30 the following
26 new section:

1 **“SEC. 31. SMALL BUSINESS REGULATORY RELIEF.**

2 “(a) DEFINITIONS.—For purposes of this section—

3 “(1) the term ‘participating agency’ means—

4 “(A) the Environmental Protection Agen-
5 cy;

6 “(B) the Internal Revenue Service of the
7 Department of the Treasury; and

8 “(C) the Department of Labor;

9 “(2) the term ‘small business development cen-
10 ter’ means a small business development center es-
11 tablished pursuant to section 21;

12 “(3) the term ‘system of voluntary compliance’
13 means the system under which small business devel-
14 opment centers or consortia of small business devel-
15 opment centers provide confidential assistance to one
16 or more small business concerns in achieving vol-
17 untary compliance with regulatory requirements im-
18 posed on small business concerns by a participating
19 agency; and

20 “(4) the term ‘compliance assistance plan’
21 means a five year plan jointly developed and annu-
22 ally revised by each participating agency, the Office
23 of Small Business Development Centers for the
24 Small Business Administration, and representatives
25 of an association representing a majority of small
26 business development centers for the establishment

1 and maintenance of the system of voluntary compli-
2 ance.

3 “(b) DUTIES OF PARTICIPATING AGENCIES.—

4 “(1) COMPLIANCE ASSISTANCE PLAN.—Not
5 later than 90 days after the date of enactment of
6 this Act and annually thereafter, each participating
7 agency, the Office of Small Business Development
8 Centers of the Small Business Administration, and
9 representatives of an association representing a ma-
10 jority of small business development centers shall
11 agree to a compliance assistance plan.

12 “(2) CONTENTS OF COMPLIANCE ASSISTANCE
13 PLAN.—Each compliance assistance plan agreed to
14 under paragraph (1) shall include—

15 “(A) the regulatory compliance objectives
16 of the participating agency;

17 “(B) the regulatory compliance priorities
18 of the participating agency;

19 “(C) identification of the types of services,
20 materials, and resources to be developed or
21 used by the participating agency;

22 “(D) identification of participating agency
23 facilities, expertise, and other resources that

1 may be accessed by the Office of Small Busi-
2 ness Development Centers of the Small Busi-
3 ness Administration, a small business develop-
4 ment center, or a small business concern par-
5 ticipating in the system of voluntary compliance
6 established under this section; and

7 “(E) performance outcome measures and
8 evaluation criteria to be used by the participat-
9 ing agency in evaluating the effectiveness of the
10 system of voluntary compliance to be estab-
11 lished under this section.

12 “(3) DUPLICATION OF EFFORT.—In carrying
13 out this subsection, each participating agency shall,
14 to the maximum extent practicable, ensure that the
15 participating agencies do not duplicate the compli-
16 ance assistance efforts of this section.

17 “(4) ENFORCEMENT.—The participating agen-
18 cy, the Department of Justice, or any other Federal
19 agency shall consider a small business concern par-
20 ticipating in the system of voluntary compliance to
21 be in full compliance, if the small business concern
22 fulfills the regulatory compliance objectives and pri-
23 orities established in the compliance assistance plans
24 submitted under subsection (b)(1).

1 “(c) DUTIES OF THE OFFICE OF SMALL BUSINESS
2 DEVELOPMENT CENTERS.—

3 “(1) IMPLEMENTATION AND ADMINISTRATION
4 OF COMPLIANCE ASSISTANCE PLANS.—

5 “(A) IN GENERAL.—Based on each compli-
6 ance assistance plan agreed to under subsection
7 (b)(1), not later than 180 days after the date
8 of enactment of this Act, the Office of Small
9 Business Development Centers, with the agree-
10 ment of an association representing the major-
11 ity of small business development centers, shall
12 develop and publish guidelines for the establish-
13 ment by small business development centers or
14 consortia of small business development centers
15 of the system of voluntary compliance in ac-
16 cordance with this section.

17 “(B) GUIDELINE REQUIREMENTS.—The
18 guidelines published under subparagraph (A)
19 shall—

20 “(i) establish priorities for the types
21 of assistance to be provided to small busi-
22 ness concerns under the system of vol-
23 untary compliance established by small
24 business development centers or consortia

1 of small business development centers
2 under this section; and

3 “(ii) establish standards relating to
4 educational, technical, and support services
5 required by small business development
6 centers or consortia of small business de-
7 velopment centers to provide a system of
8 voluntary compliance.

9 “(C) PROGRAM DELIVERY.—The guidelines
10 established under subparagraph (A) shall—

11 “(i) require that the assistance to
12 small business concerns participating in
13 the system of voluntary compliance under
14 this section be carried out by small busi-
15 ness development centers or by consortia of
16 small business development centers who
17 shall, to the maximum extent practicable,
18 access other existing Federal and State
19 non-punitive, compliance and technical as-
20 sistance programs, including, but not lim-
21 ited to, the technical and environmental
22 compliance assistance programs established
23 under section 507 of the Clean Air Act
24 Amendments of 1990; and

1 “(ii) provide that certain national
2 service delivery support requirements be
3 carried out under contract with an associa-
4 tion representing the majority of small
5 business development centers.

6 “(D) ISSUANCE OF GRANT.—Not later
7 than 150 days after the submission of work
8 plans under subsection (d)(1), the Office of
9 Small Business Development Centers shall issue
10 a grant to each small business development cen-
11 ter or each consortium of small business devel-
12 opment centers to carry out the system of vol-
13 untary compliance.

14 “(d) DUTIES OF SMALL BUSINESS DEVELOPMENT
15 CENTERS.—

16 “(1) WORK PLAN.—Beginning not later than
17 60 days after the date on which the guidelines are
18 published by the Office of Small Business Develop-
19 ment Centers under subsection (c)(1)(A), each small
20 business development center or consortium of small
21 business development centers shall, on an annual
22 basis, submit to the Office of Small Business Devel-
23 opment Centers a work plan under which the small

1 business development center will carry out the sys-
2 tem of voluntary compliance in accordance with such
3 guidelines.

4 “(2) ASSISTANCE PROVIDED.—The assistance
5 to small business concerns participating in the sys-
6 tem of voluntary compliance shall include—

7 “(A) access to information and resources;

8 “(B) training and educational activities;

9 “(C) confidential, free-of-charge, one-on-
10 one in-depth counseling; and

11 “(D) technical assistance.

12 “(3) REPORTS; RECOMMENDATIONS.—

13 “(A) Each small business development cen-
14 ter or consortium of small business development
15 centers shall, on an annual basis, submit to the
16 Office of Small Business Development Centers
17 of the Small Business Administration a report
18 on the assistance provided by the small business
19 development center or consortia established
20 under the system of voluntary compliance estab-
21 lished under this section.

22 “(B) No small business development cen-
23 ter, consortium of small business development
24 centers, or any person relied on by any such

1 small business development center shall be re-
2 quired to disclose the name or address of any
3 small business concern participating in the sys-
4 tem of voluntary compliance under this section.

5 “(C) Subparagraph (B) shall not be con-
6 strued to prevent the Office of Inspector Gen-
7 eral of the Administration from auditing a
8 small business development center, consortium
9 of small business development centers, or any
10 person relied on by any such small business de-
11 velopment center.

12 “(e) EVALUATIONS.—

13 “(1) ANNUAL REPORT.—The Office of Small
14 Business Development Centers of the Small Busi-
15 ness Administration shall, on an annual basis, sub-
16 mit to the President and to the Committees on
17 Small Business of the Senate and the House of Rep-
18 resentatives a report, which shall include—

19 “(A) a description of the types of assist-
20 ance provided by small business development
21 centers and consortia of small business develop-
22 ment centers to small business concerns partici-
23 pating in the system of voluntary compliance;

1 “(B) the level of outreach to small business
2 concerns achieved by small business develop-
3 ment centers and consortia of small business
4 development centers under this section; and

5 “(C) recommendations for improvements in
6 the regulation of small business concerns par-
7 ticipating in the system of voluntary compli-
8 ance.

9 “(2) INDEPENDENT NATIONAL ASSESSMENT.—
10 Upon the expiration of the three-year period begin-
11 ning on the date on which the majority of small
12 business development centers and consortia of small
13 business development centers have received grants to
14 begin implementation of the work plans described
15 under subsection (d)(1), the Office of Small Busi-
16 ness Development Centers shall provide for an eval-
17 uation of the system of voluntary compliance estab-
18 lished under this section by an independent third
19 party which shall be submitted to the President and
20 to the Committees on Small Business of the Senate
21 and House of Representatives.

22 “(f) FUNDING.—

23 “(1) IN GENERAL.—To assist the Office of
24 Small Business Development Centers of the Small

1 Business Administration in fostering, promoting, de-
2 veloping, and carrying out the system of voluntary
3 compliance under this section—

4 “(A) of the total amount provided to the
5 Department of Labor—

6 “(i) not less than 0.10 percent shall
7 be made available for obligation and ex-
8 penditure by the Office of Small Business
9 Development Centers of the Small Busi-
10 ness Administration for the implementa-
11 tion and administration of the worker safe-
12 ty and health compliance assistance plans
13 in fiscal year 1999;

14 “(ii) not less than 0.14 percent shall
15 be made available for obligation and ex-
16 penditure by the Office of Small Business
17 Development Centers of the Small Busi-
18 ness Administration for the implementa-
19 tion and administration of the worker safe-
20 ty and health compliance assistance plans
21 in fiscal year 2000;

22 “(iii) not less than 0.18 percent shall
23 be made available for obligation and ex-
24 penditure by the Office of Small Business

1 Development Centers of the Small Busi-
2 ness Administration for the implementa-
3 tion and administration of the worker safe-
4 ty and health compliance assistance plans
5 in fiscal year 2001; and

6 “(iv) not less than 0.22 percent shall
7 be made available for obligation and ex-
8 penditure by the Office of Small Business
9 Development Centers of the Small Busi-
10 ness Administration for the implementa-
11 tion and administration of the worker safe-
12 ty and health compliance assistance plans
13 in each of the fiscal years 2002 and 2003;
14 and

15 “(B) of the total amount provided to the
16 Environmental Protection Agency—

17 “(i) not less than 0.20 percent shall
18 be made available for obligation and ex-
19 penditure by the Office of Small Business
20 Development Centers of the Small Busi-
21 ness Administration for the implementa-
22 tion and administration of the compliance
23 assistance plans in fiscal year 1999;

1 “(ii) not less than 0.24 percent shall
2 be made available for obligation and ex-
3 penditure by the Office of Small Business
4 Development Centers of the Small Busi-
5 ness Administration for the implementa-
6 tion and administration of the compliance
7 assistance plans in fiscal year 2000;

8 “(iii) not less than 0.29 percent shall
9 be made available for obligation and ex-
10 penditure by the Office of Small Business
11 Development Centers of the Small Busi-
12 ness Administration for the implementa-
13 tion and administration of the compliance
14 assistance plans in fiscal year 2001; and

15 “(iv) not less than 0.35 percent shall
16 be made available for obligation and ex-
17 penditure by the Office of Small Business
18 Development Centers of the Small Busi-
19 ness Administration for the implementa-
20 tion and administration of the compliance
21 assistance plans in each of the fiscal years
22 2002 and 2003; and

23 “(C) of the total amount provided to the
24 Internal Revenue Service of the Department of
25 the Treasury—

1 “(i) not less than 0.25 percent shall
2 be made available for obligation and ex-
3 penditure by the Office of Small Business
4 Development Centers of the Small Busi-
5 ness Administration for the implementa-
6 tion and administration of the compliance
7 assistance plans in fiscal year 1999;

8 “(ii) not less than 0.31 percent shall
9 be made available for obligation and ex-
10 penditure by the Office of Small Business
11 Development Centers of the Small Busi-
12 ness Administration for the implementa-
13 tion and administration of the compliance
14 assistance plans in fiscal year 2000;

15 “(iii) not less than 0.39 percent shall
16 be made available for obligation and ex-
17 penditure by the Office of Small Business
18 Development Centers of the Small Busi-
19 ness Administration for the implementa-
20 tion and administration of the compliance
21 assistance plans in fiscal year 2001; and

22 “(iv) not less than 0.49 percent shall
23 be made available for obligation and ex-
24 penditure by the Office of Small Business

1 Development Centers of the Small Busi-
2 ness Administration for the implementa-
3 tion and administration of the compliance
4 assistance plans in each of the fiscal years
5 2002 and 2003.

6 “(2) DISTRIBUTION OF ASSISTANCE.—

7 “(A) IN GENERAL.—Amounts made avail-
8 able for the system of voluntary compliance
9 under paragraph (1) shall be distributed by the
10 Office of Small Business Development Centers
11 to the small business development center in
12 each State or in each consortium in accordance
13 with subparagraphs (B), (C), and (D).

14 “(B) POPULATION BASED FUNDING FOR-
15 MULA.—Each small business development cen-
16 ter shall receive a distribution under subpara-
17 graph (A) that is equal to the sum of—

18 “(i) the pro rata share of the State of
19 the total amount distributed by the Office
20 of Small Business Development Centers
21 under subparagraph (A), based upon the
22 population of the State as compared to the
23 total population in the United States, as
24 determined by the Office of Small Business
25 Development Centers; and

1 “(ii) \$300,000 for each State.

2 “(C) EXEMPTION FROM MATCHING RE-
3 QUIREMENT.—Funds provided under this sec-
4 tion shall not be subject to the matching funds
5 or eligibility requirements of section 21(a)(4).

6 “(D) CERTIFICATION REQUIREMENT.—
7 After September 30, 2000, the Office of Small
8 Business Development Centers may not provide
9 any funds under this section to a small business
10 development center or a consortium of small
11 business development centers unless the center
12 has, or centers within the consortium have,
13 been approved under the certification program
14 conducted pursuant to section (21)(k)(2), ex-
15 cept that the Associate Administrator for Small
16 Business Development Centers may waive such
17 certification requirement, in the discretion of
18 the Associate Administrator, upon showing that
19 the center is making a good faith effort to ob-
20 tain certification.

21 “(E) ADMINISTRATIVE COSTS.— Not more
22 than 2 percent of the amounts made available
23 for the system of voluntary compliance under
24 subsection (f) shall be used by the Office of

- 1 Small Business Development Centers for ad-
- 2 ministration, evaluation, and reporting costs.”.

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